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November 12, 2024

**VIA ECF**

The Honorable Alvin K. Hellerstein  
United States District Judge  
Southern District of New York  
500 Pearl Street  
New York, New York 10007

Re: United States v. Sung Kook Hwang and Patrick Halligan, No. 22-cr-240

Dear Judge Hellerstein:

We write on behalf of our client Goldman Sachs & Co. LLC (“Goldman Sachs” or the “Firm”) in connection with the upcoming sentencing of Defendants Sung Kook (Bill) Hwang and Patrick Halligan, currently scheduled for November 20, 2024 and January 27, 2025, respectively, in the case referenced above. Goldman Sachs, as one of the bank counterparties who was directly affected by Defendants’ fraudulent market manipulation scheme, respectfully submits this victim impact statement to provide the Court with context concerning the Firm’s relationship with Archegos Capital Management, LP (“Archegos”), and the multiple misrepresentations made by Defendants during the course of that relationship.

Goldman Sachs’ swap trading relationship with Archegos began in the fall of 2020, only a few months before Defendants’ market manipulation scheme collapsed in the week of March 22, 2021. Based upon the evidence adduced at trial, it appears that the Firm’s swap trading relationship with Archegos was marred from the outset by Defendants’ fraud.<sup>1</sup> As Will Tomita (Archegos’ Head of Trading) testified at trial, Mr. Hwang told Mr. Tomita that Archegos needed Goldman Sachs’ capacity to sustain its manipulative trading scheme, and directed Mr. Tomita to give Goldman Sachs false information about Archegos’ trading plans in order to induce the Firm to extend that capacity to allow Mr. Hwang and Archegos to continue their trading. *See, e.g.*, Tr. Trans. at 3357:3–3360:17. Specifically, Mr. Tomita testified that he misled Goldman Sachs about the names that Archegos planned to trade so that Goldman Sachs

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<sup>1</sup> The below examples of misrepresentations that Defendants caused to be made to Goldman Sachs are merely illustrative and do not purport to detail each such misrepresentation or omission.

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would not know that Archegos owned the same positions at other banks. *See* Tr. Trans. at 3359:1–9; 3359:24–3360:3.

Later, once Archegos had begun trading total return swaps with the Firm, Goldman Sachs personnel began to ask questions about Archegos’ accumulating positions. Mr. Tomita, acting at Mr. Hwang’s direction, again withheld the truth from Goldman Sachs as it was attempting manage its risk. *See, e.g.*, Tr. Trans. at 3389:17–3396:14. Specifically, Mr. Tomita testified that, when Goldman Sachs personnel asked about other bank counterparties who owned one of Archegos’ key names, he withheld the truth about Archegos’ large, duplicated positions at other counterparties and falsely implied that other hedge funds were behind that activity. *See* Tr. Trans. at 3391:24–3392:24. These misrepresentations continued throughout the course of the trading relationship, and even into Archegos’ final days. For example, Archegos’ Director of Risk Management, Scott Becker, testified at trial that when Goldman Sachs asked him questions about Archegos’ financial situation in the days leading up to Archegos’ collapse, Mr. Halligan directed him to provide Goldman Sachs with incorrect and misleading numbers. *See, e.g.*, Tr. Trans. at 1136:3–1140:13. Ultimately, Archegos’ fraudulent scheme collapsed, with significant consequences for the integrity of the financial markets. As FBI Assistant Director-in-Charge Michael J. Driscoll explained in connection with the unsealing of the indictment against Defendants, “Hwang and his co-conspirators convinced major financial institutions to enter into agreements with them based on lies, the result of which ultimately led to a massive market manipulation scheme . . . [that] caused harm to U.S. financial markets and ordinary investors alike.”<sup>2</sup>

Goldman Sachs is a victim of the Defendants’ fraud. As a result of the fraudulent conduct of the Defendants and the collapse of Archegos, Goldman Sachs was subjected to significant unforeseen risk and disruption to its business, particularly in light of the substantial financial and management resources that were devoted to address those risks and also related lawsuits. Moreover, Goldman Sachs cooperated fully with all regulatory reviews that followed Archegos’ collapse, including with the investigation by the U.S. Attorney’s Office for the Southern District of New York (the “SDNY USAO”). Although Goldman Sachs is not seeking restitution from Defendants, the Firm incurred significant expenses in connection with its support of the SDNY USAO’s investigation and the trial of this matter, which required extensive document productions, some in response to additional data requests made by Defendants themselves, as well as coordinating and preparing for trial testimony by Goldman Sachs’ current and former employees as actual and potential witnesses.

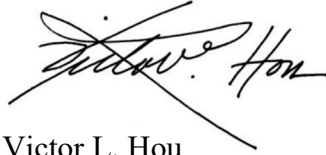
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<sup>2</sup> *Four Charged in Connection with Multibillion-Dollar Collapse of Archegos Capital Management*, U.S. Department of Justice Office of Public Affairs (Apr. 27, 2022), <https://www.justice.gov/opa/pr/four-charged-connection-multibillion-dollar-collapse-archegos-capital-management>.

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We respectfully ask the Court to take these circumstances into account during sentencing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Victor L. Hou", with a long, sweeping horizontal stroke extending to the right.

Victor L. Hou